

Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 OIC-02 EB-08 AF-10 ARA-14 EA-12
EUR-12 NEA-10 CAB-05 CIAE-00 COME-00 DODE-00
DOTE-00 INR-07 NSAE-00 FAA-00 L-03 TRSE-00 ITC-01
OMB-01 PM-05 H-02 NSC-05 PA-02 PRS-01 SP-02
SS-15 USIA-15 /147 W

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FM AMCONSUL MONTREAL

TO SECSTATE WASHDC 9752

UNCLAS MONTREAL 1990

FROM US REP ICAO

E.O. 11652: NA

TAGS: PORG, EAIR, ICAO

SUBJECT: ICAO: FIRST REPORT OF SECOND MTG FARES AND RATES PANEL.

1. BROSANAN, AUSTRALIA, ELECTED CHAIRMAN AND DEMATAS, T & T,
VICE CHAIRMAN.
2. 13 PANEL MEMBERS ATTENDED; ISRAEL DID NOT APPEAR. IATA
HERE AS OBSERVER AND IACA MADE ONE DAY APPEARANCE. GERMANY
ALSO ATTENDED AS OBSERVER FOR FEW DAYS.
3. AGENDA AS DRAFTED, APPROVED.
4. PANEL REVIEWED ACTIONS OF SATC, COUNCIL AND 22ND ASSEMBLY
OF 1ST MTG OF PANEL.
5. PANEL CONSIDERED A NUMBER OF MECHANISMS OTHER THAN IATA
MACHINERY FOR ESTABLISHMENT OF SCHEDULED PASSENGER FARES.
(SEE PAGE 4, PARA 12, OF PANEL'S FIRST REPORT) MOST
SIGNIFICANT OF THESE MECHANISMS WAS "BERLIN AGREEMENT".
AGREEMENT RELATING TO PASSENGER FARES DESCRIBED A CLEARLY
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DEFINED AND WELL-REGULATED SYSTEM, CONTINING SEVERAL
ELEMENTS SIMILAR TO THOSE OF IATA MACHINERY. AGREEMENT
SPECIFIED A SUBSTANTIAL DEGREE OF UNIFICATION, CONVERGING FARES
BETWEEN A NUMBER OF COUNTRIES IN GEOGRAPHICAL AREA IN WHICH
IATA AIRLINE MEMBERSHIP WAS LOW.

6. FOLLOWING EXAMINATION OF REGIONAL AIRLINE BODIES IT

APPEARED TO PANEL THAT GOVERNMENTS PLAYED ONLY A LIMITED ROLE IN THEIR WORK, AS IN THE WORK OF IATA. SINCE IN MOST CASES AGREEMENT OF REGIONAL BODIES COULD NOT BE CLEARLY IDENTIFIED FOLLOWING IATA TRAFFIC CONFERENCES, IT WAS NOT POSSIBLE TO DETERMINE WHETHER INCIDENCE OF ACCEPTANCE BY GOVERNMENTS WAS GREATER FOR IATA AGREEMENTS ORIGINALLY DEVELOPED BY REGIONAL BODIES THAN FOR AGREEMENT MADE WITHOUT THE INVOLVEMENT OF REGIONAL BODIES. FOR SAME REASON IT WAS NOT POSSIBLE TO DETERMINE WHETHER EXISTENCE OF THESE REGIONAL BODIES PRODUCED A GREATER OR LESSER INCIDENCE OR "OPEN-RATE" SITUATIONS.

7. PANEL NEXT DISCUSSED SUBJECT OF "CONSULTATION ON TARIFF MATTERS BETWEEN GOVERNMENTS, AN EXAMINATION OF SUGGESTION BY IATA THAT STATES RECOGNIZE INTENTION IN BILATERALS THAT THERE SHOULD BE REGULAR AND FREQUENT CONSULTATION BETWEEN RESPECTIVE AERONAUTICS AUTHORITIES OF TWO GOVERNMENTS AND THAT BEFORE EXERCISING THEIR SOVEREIGN PREROGATIVE OF DISAPPROVAL OF MODIFICATION OF TARIFFS, THEY SHOULD TAKE INTO ACCOUNT VIEW OF OTHER STATES PRIMARILY CONCERNED SO AS TO PROVIDE AN ENVIRONMENT CONDUCIVE TO INDUSTRY AGREEMENT. ON MATTER OF CURBING GOVERNMENT INTERVENTIONS, PANEL PASSED 3 RECOMMENDATIONS:

1) ON GOVERNMENT RESERVATION ON OR MODIFICATION TO MULTILATERALLY AGREED TARIFF STRUCTURES; 2) ISSUANCE OF CERTAIN GOVERNMENT ORDERS UNDERMINING OR HINDERING DEVELOPMENT OF A MULTILATERALLY AGREED TARIFFS STRUCTURE; AND 3) ON DURATION OF UNCLASSIFIED

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SUCH ORDERS. RECOMMENDATIONS AND DISCUSSION THEREON WILL BE DETAILED IN REPORT TO SECSTATE.

8. US PANEL MEMBER PRESENTED PAPER ON SINGLE CARRIER FILINGS WITH GOVERNMENTS. PANEL NOTED THAT SINGLE CARRIER SCHEDULED TARIFF FILINGS TENDED TO BECOME RELATIVELY IMPORTANT WHEN IATA MECHANISM DID NOT FUNCTION WELL. IT WAS FURTHER NOTED THAT EXISTENCE OF SINGLE CARRIER FILING FACILITY PROVIDED AN OPPORTUNITY FOR DEVELOPMENT OF INNOVATIVE FARES. IT WAS NOTED THAT BECAUSE SUCH FILINGS WERE OF LIMITED SIGNIFICANCE IN RELATION TO IATA MACHINERY AND REGIONAL FARE SETTING MECHANISMS, PANEL DECIDED THAT A FURTHER EXAMINATION OF THEM WAS NOT REQUIRED.

9. IN PREPARATION FOR FUTURE EXAMINATION OF NON-SCHEDULED TARIFFS MACHINERY, SECRETARIAT PREPARED DRAFT QUESTIONNAIRE CONCERNING ESTABLISHMENT OF TARIFFS FOR INTERNATIONAL NON-SCHEDULED PASSENGER OPERATIONS. OBJECT OF THIS EXERCISE WAS TO GIVE GUIDANCE OF SUBSTANCE TO SECRETARIAT. QUESTIONNAIRE WILL BE FINALIZED BY SECRETARIAT INCORPORATING SUGGESTIONS OF PANEL AND THEN SENT TO STATES.

10. US PANEL MEMBER SOUGHT TO PRECLUDE ANY BIAS IN QUESTIONNAIRE

TOWARD PRINCING CONTROL AND TO EXPAND IT TO INCLUDE
OPPORTUNITIES FOR STATES TO ALSO OBTAIN AND FORWARD INFORMATION
OBTAINED FROM AIRLINES, CHARTER ORGANIZERS, AND CONSUMER
REPRESENTATIVES CONCERNING PRICING PROBLEMS AND EXPERIENCES.
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